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# **Business Opportunities in MEXICO**

September, 2008



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# Mexico offers today a very attractive business environment....



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It is a country of huge potential, over the years it has shown predictable and solid macroeconomic fundamentals: healthy public finances (disciplined fiscal and monetary policies) and stable economic growth.

FDI has been  
booming in  
recent years  
(\$23.23  
billions. 2007)

Inflation is  
both low and  
stable (3.7%.  
2007)

Interest rates  
at a historical  
low level  
(7.4% . 2007)

Highest level  
of International  
Reserves  
(\$78.2 billions.  
August 2008)

# México is a dynamic market

Mexico's economy is the world's fourteenth largest



The largest trading nation in Latin America

Mexico is a middle-income country, with the world's 11<sup>th</sup> largest population.

Among the world's most open economies and market access for 1 billion of consumers

Mexico's income per capita is larger than all other major economies in the region (10,600 dollars).

Preferential market access pursuant its FTA's network; so far with 44 countries along with a committed discipline on government economic policies

# NAFTA outcomes

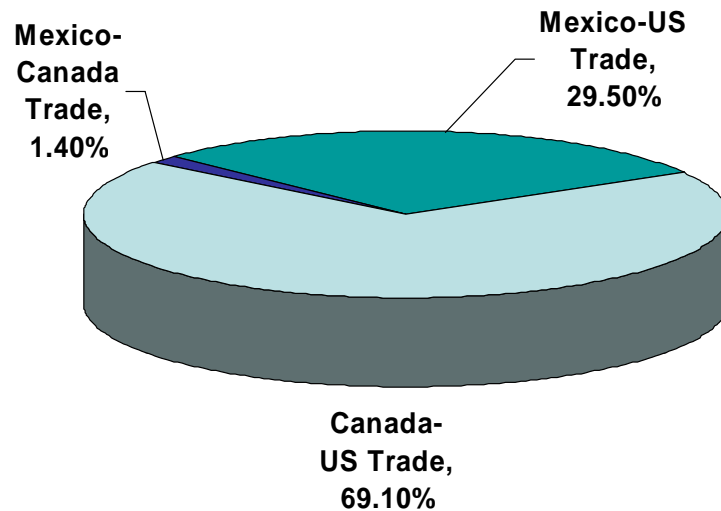
## Trade Between NAFTA Partners



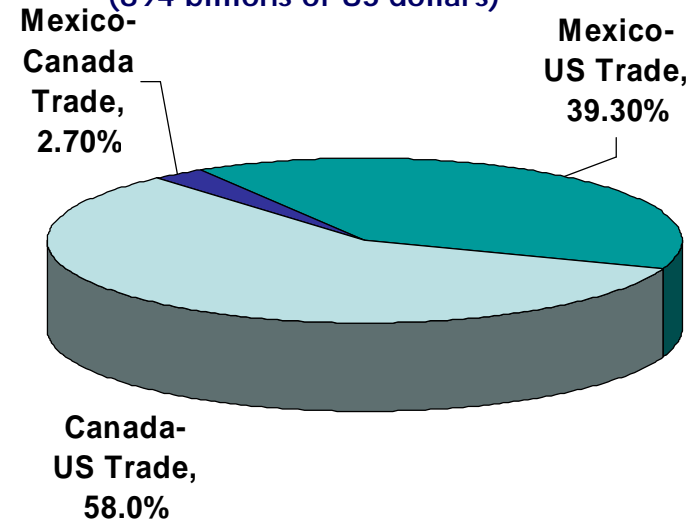
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**Total Trilateral Trade in 1993**  
(288 billions of US dollars)



**Total Trilateral Trade in 2007**  
(894 billions of US dollars)



- Mexico is the US' third largest trading partner
- From 1993 to 2007, US- Mexico trade grew at an annual average rate of 25%

**In 2007 the trade between Mexico and the US has grown 4.5%**

Source: Ministry of Economy with data from Banxico, USDOC and Statistics Canada using information from the importing country.

# Exports to Mexico Selected US States



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	Virginia	Maryland	DC
Exports to Mexico in 2007	615.8 million	465.5 million	4.0 million
Increase from level of 1993	399.5 million	396.7 million	-2.1 million
Increase (%) from 2006	26.7%	101.5%	-32.7%
Mexico as a market for goods from the State (Rank, 2007)	8 <sup>th</sup>	4 <sup>th</sup>	26 <sup>th</sup>
Participation of Mexico in the worldwide exports, 2007	3.6%	5.2%	0.4%
Jobs directly related to exports of manufactured goods to Mexico, 2007	1,618	814	0

# Main Exports to Mexico By Industry, 2007



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Virginia	Maryland	DC
Computer and electronic products	Chemicals	Food and kindred products
Chemicals	Machinery, except electrical	Computer and electronic products
Paper	Electrical equipment, appliances and component	Paper
Machinery, except electrical	Computer and electronic products	Machinery, except electrical
Plastic and rubber products	Fabricated metal products	Special classification provisions *
Transportation Equipment	Food and kindred products	Plastic and rubber products

\* Exports of Articles Previously Imported for Repair or Alterations; Instruments of International Traffic; Articles Donated for Relief or Charity; Military Wearing Apparel; Military Equipment Not Identified by Kind



# Some of the most promising sectors include:



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**INFORMATION  
TECHNOLOGY**

**AUTOMOTIVE  
PARTS**

**ELECTRONIC  
COMPONENTS**

**CHEMICAL  
PRODUCTS**

**PLASTIC  
MATERIALS  
AND RESINS**

**ELECTRIC  
PARTS &  
APPLIANCES**

**TRAINING  
SERVICES**

**HOUSING &  
CONSTRUCTION  
EQUIPMENT**

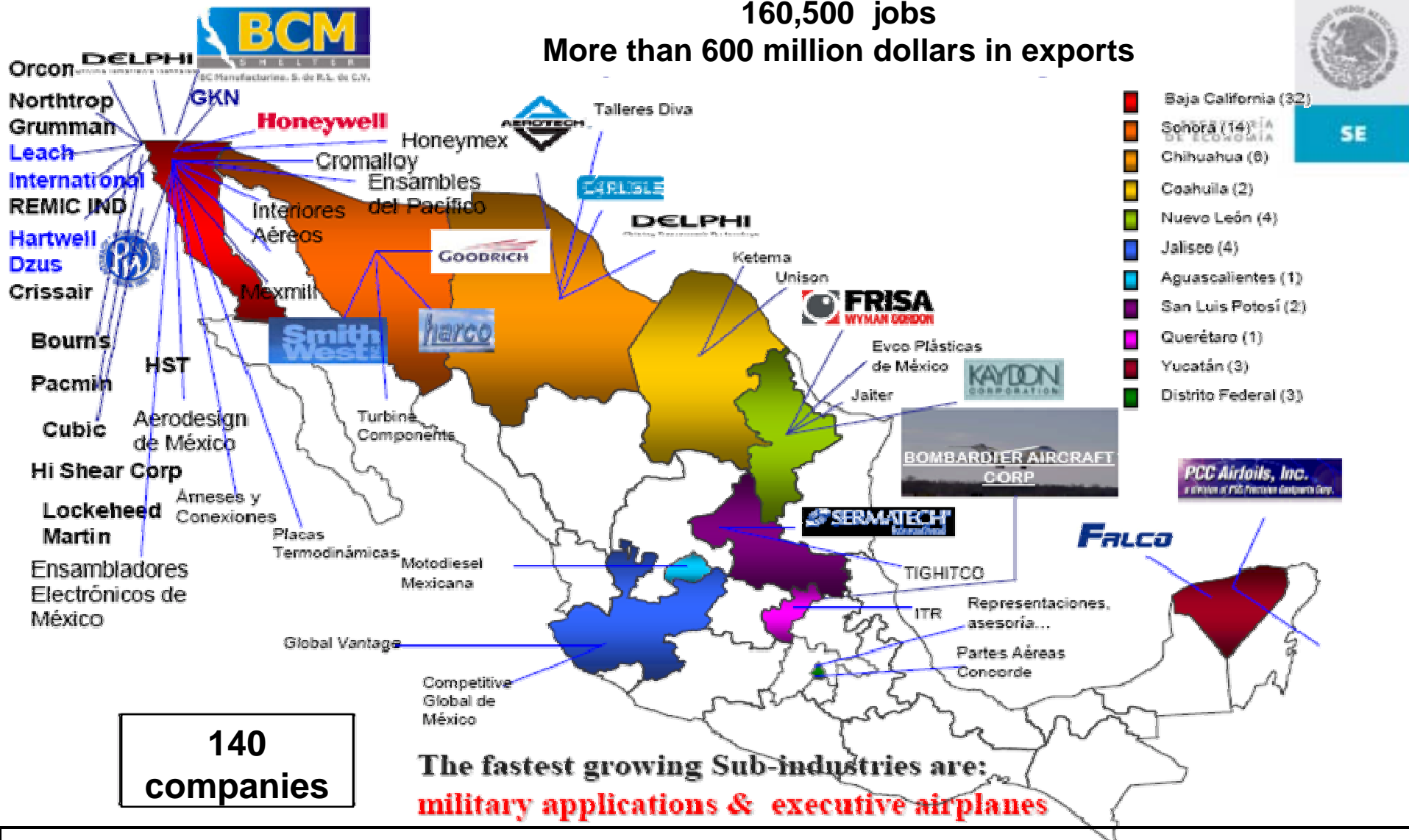
**TELECOMMUNICATIONS  
EQUIPMENT**

**AEROSPACE  
INDUSTRY**



# The Aerospace Industry in Mexico

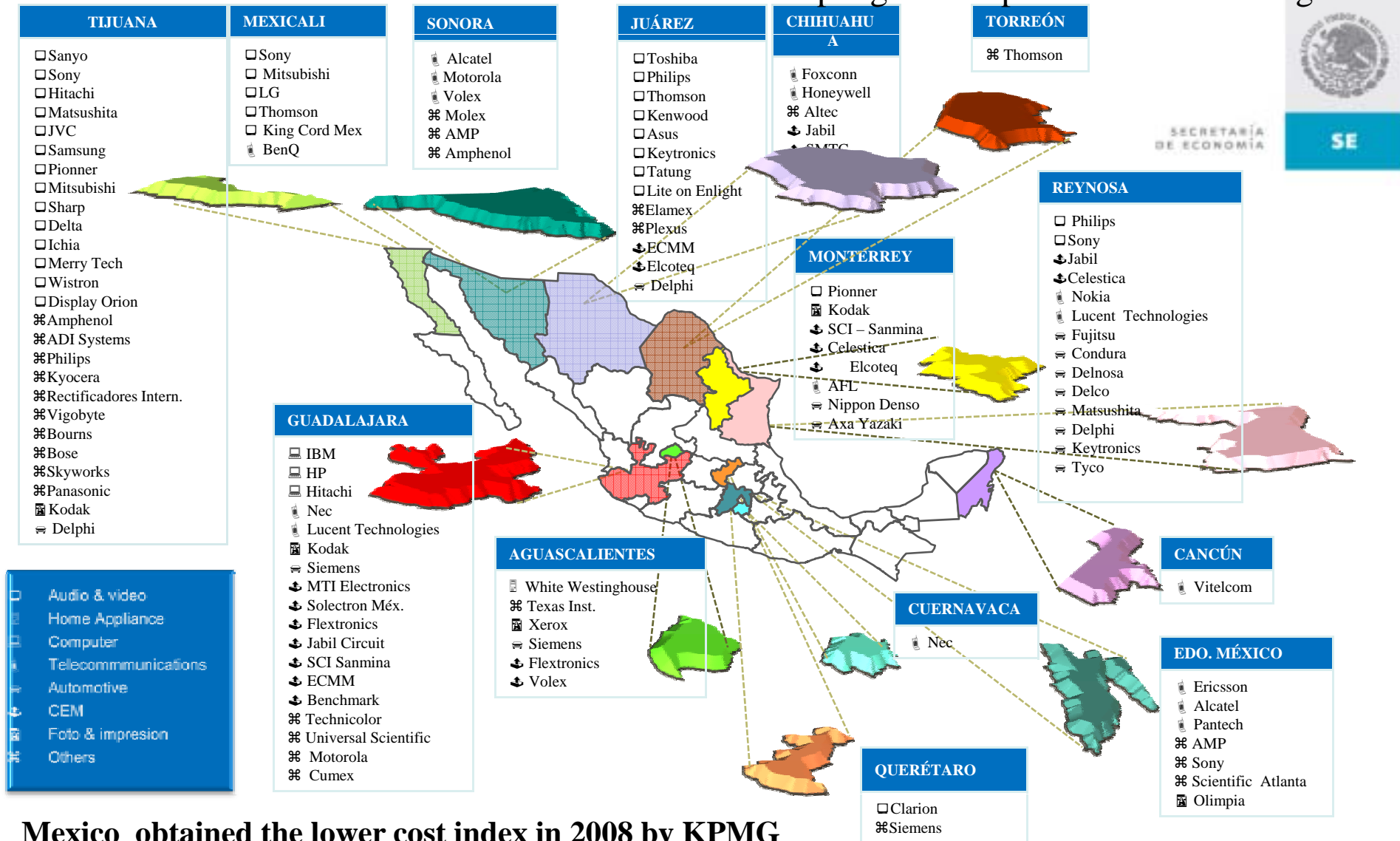
160,500 jobs  
More than 600 million dollars in exports



14 Mexican States, mainly Baja California, Sonora, Chihuahua, Querétaro, and Nuevo León

# Geographic Location of Electronics Industry

One of the top 5 global exporters of electronic goods



Mexico obtained the lower cost index in 2008 by KPMG

60,000 Jobs

# The IT Industry in Mexico

2002 - 2008



2,095

**IT Firms<sup>3</sup>**

2,134

4

**State Gov. With  
IT policies**

32

-1%

**IT industry  
Growth rate<sup>2</sup>**

16%

4

**IT Firms with  
Quality**

120

0

**IT Clusters**

23

0

**Tech Parks**

12

200 MUSD

**IT Exports  
and BPO  
(BDD)<sup>1</sup>**

2.2

0

**“Integradoras”  
IT Firms**

17

0

**IT Universities**

121

1: AT Kearney Data 2007

2: Select Data, 2008

3: INEGI Data

# Market Opportunities

Mexico's National Infrastructure Program, announced by the Mexican President in July 2007, will present a great opportunity for business in Mexico through 2012.

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Projects in airports, highways, ports, railroads, telecommunication, and environment will offer valuable businesses for American suppliers involved in these sectors

# For more information

## Useful Websites

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### Ministry of the Economy

[www.economia.gob.mx](http://www.economia.gob.mx) or  
[http://207.248.164.38/sic\\_php/ls23al.php?s=0&p=2&l=2](http://207.248.164.38/sic_php/ls23al.php?s=0&p=2&l=2)



### PROMEXICO

<http://www.promexico.gob.mx>

EMBAJADA DE MÉXICO  
EN ESTADOS UNIDOS

SECRETARÍA DE RELACIONES EXTERIORES

### Embassy of Mexico in the USA

<http://portal.sre.gob.mx/eua/>

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